THE MINISTER OF HOME AFFAIRS (SHRI BUTA SINGH): (a) No, Sir.

(b) Does not arise.

Curbing FERA and MRTP companies operating in low-tech areas

@3429. SHRI SHANKER SINH VAGHELA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Hindustan Lever Limited has not diluted its equity below 51 percent as per "FERA" Rules even though 74 percent of its production and sales are in low-tech area of soaps and detergents;

(b) if so, whether by allowing such multinational, FERA and MRTP company to operate in low-tech areas, Government's policy of encouraging indigenous and small scale industries is being violated; and

(c) if so, what action is being taken by Government to curb FERA companies operating in low-tech areas?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Hindustan Lever Limited was permitted under Section 29(2) (a) of the Foreign Exchange Regulation Act, 1973 to continue to carry on its business in India with 51 per cent foreign equity subject, inter-alia, to the conditions that (i) the company's annual turnover from Appendix I activity, products/process involving sophisticated technology and own exports would not be less than 60 per cent of the company's total turnover; and (ii) not less than 10 per cent of the company's own production during each year would be exported.

The company has been fulfilling these stipulations.

(b) No, Sir.

(c) It does not arise.

@Previously Unstarred Question 3002, transferred from the 13th March, 1989.

Service in rural areas as a pre-condition for appearing in promotional tests in nationalised banks

3430. SHRI SOHAN LAL DHUSIYA: Will the Minister of FINANCE be pleased to state:

(a) whether those officers of nationalised banks, who have otherwise become eligible to appear in the promotion test for Middle Management Grade/Scale II by virtue of completion of seven years' service in Junior Management Grade/Scale-I before 1st June, 1988, are required to render two years service in rural areas, if not already done, before being allowed to appear in the said test;

(b) if so, whether some officers in Bank of Baroda have represented for being exempted from this condition, if so, what action has been taken thereon; and

(c) whether service rendered in rural areas in clerical cadre is also counted towards the said period of two years, and if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) In terms of the guidelines issued under the Officers' Service Regulations of the nationalised banks, the eligibility criteria for promotions to be made w.e.f. 1.6.1988 from JMGS-I to MMGS-II is 7 years satisfactory service in Grade/Scale-I, provided the officer has put in a minimum of 2 years' service in a rural branch.

(b) Government have received a proposal from Bank of Baroda requesting for exemption for certain officers from the eligibilty criterion of rural service. The matter is under consideration.

(c) The stipulation of rural service is an eligibility criterion for promotion of officers from JMG-1 to MMG-II and therefore, servce rendered in the clerical cadre is not counted for this purpose.